

# SECRET

## C O N T E N T S

(Information as of noon, 18 August 1966)

Page

### Far East

#### ① VIETNAM

Despite heavy monsoon rains, allied troops had several successful encounters with Communist forces. The Saigon government issued the final list of candidates for the constitutional assembly and Buddhist antielection activity increased. The DRV has been gradually increasing its coastal defenses. The recent rise in US aircraft losses is not attributed to any improvement in air defenses. North Vietnam apparently has not extensively implemented its program of industrial dispersal.

OK

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WITH DELETIONS

TP8 + 10

#### ② CURRENT DEVELOPMENTS IN LAOS

Limited concessions by Premier Souvanna seem to have satisfied enough of the National Assembly's demands for a greater political role to preserve the delicate balance within his government. In the north, government forces are making some gains against Pathet Lao guerrillas during the current rainy season.

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#### ③ NORTH KOREA DECLARES IDEOLOGICAL INDEPENDENCE

An article marking the anniversary of Korea's liberation from Japanese rule warned that it is "impermissible to infringe on the independence of another country under the pretext of cooperation."

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#### ④ A NEW TEAM IN PEKING

First accounts of a mammoth rally on 18 August indicate a shake-up in the old hierarchy. Defense Minister Lin Piao appears to have replaced Liu Shao-chi as second man in the regime.

7

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### Europe

#### ⑤ PREPARATIONS CONTINUE FOR LARGE WARSAW PACT EXERCISE

The Czech press is billing week-long Exercise "Vltava" --to be held in Czechoslovakia in late September-- as the largest maneuver by either the Pact or NATO since World War II.

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(6) MOSCOW PRESSES DIPLOMATIC CAMPAIGN TO ISOLATE US  
The USSR is using the issues of Vietnam and European security to mount an increasingly broad diplomatic campaign aimed at arousing international opposition to US policies.

9 X

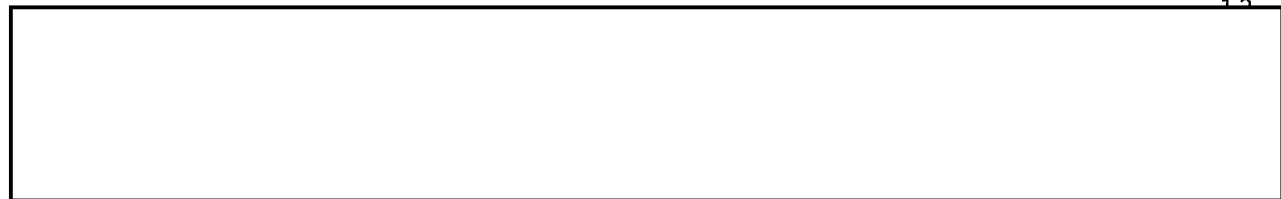
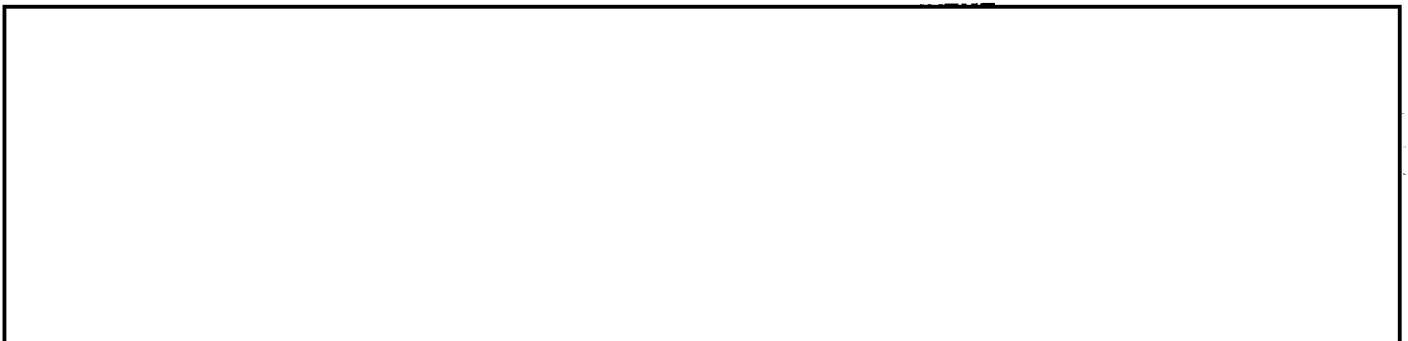
(7) NEW SOVIET TRAVEL RESTRICTIONS  
The new official list of closed areas represents no drastic change in policy or security. The newly closed areas are slightly less extensive, but are of greater strategic significance.

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(8) TITO MOVES AGAINST LIBERAL CRITICS IN YUGOSLAVIA  
By arresting archcritic Mihajlov and suppressing the liberal journal Praxis, the Yugoslav regime has again demonstrated that domestic critics will not be permitted to challenge the party's authority.

12  
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25X1



25X6

(9) WEST GERMAN BUDGETARY PROBLEMS ADD TO ERHARD'S WOES  
Chancellor Erhard's political prestige, damaged by his recent defeat in a state election, is now riding on his ability to put together a balanced budget and gain more effective federal authority over the economy.

14 X

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### Middle East - Africa

#### SYRIA AND ISRAEL CLASH AGAIN

The belligerent attitude maintained by both sides since the 15 August incident may lead to other--perhaps more serious--clashes.

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25x1

#### DETERIORATION CONTINUES IN CONGO (KINSHASA)

The Katangan unit that left its post in the north-eastern Congo three weeks ago apparently has arrived in Kisangani, and the civilian population throughout the area is reported demoralized.

17

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#### NIGERIA'S FUTURE STILL UNCERTAIN

The expected long series of talks on the future relationship among Nigeria's four regions began last week and the bargaining continues. Meanwhile, the scattered army troops are returning to their home regions.

18

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#### YEMENI PRESIDENT'S RETURN BRINGS CRISIS

The unpopular President Sallal has returned to Yemen from Cairo in what appears to be a desperate effort to counter growing anti-Egyptian feeling.

20

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### Western Hemisphere

#### CONTROVERSY OVER UNIVERSITY CONTROL IN ARGENTINA

President Ongania's move to end traditional university autonomy, the most controversial of his reforms, has resulted in numerous faculty resignations as well as extensive foreign and domestic criticism.

21

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#### POLITICAL TENSIONS IN DOMINICAN REPUBLIC

President Balaguer's call for a vaguely defined law that would ban certain political activity for two years has elicited a wide range of reactions and could exacerbate incipient tensions.

OK 22

WITH DELETIONS

#### NEW CRACKDOWN ON EXTREMISTS IN MEXICO

Police in Mexico City have arrested about 50 members of a Trotskyist revolutionary group, and other subversives are being detained throughout the country.

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